Feed the Future Country Fact Sheet

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Building Resilience in the Coffeelands

Root Capital

Maria Eufemia Maldonado Ocaño, a member of Unicafec cooperative in northern Peru, lost nearly all of her coffee trees to leaf rust.

“My coffee was beautiful, and then it all dried up. It never matured, and it lost all its leaves,” said Maria Eufemia Maldonado Ocaño, a long-time member of Unicafec, a coffee cooperative in northern Peru.

For the past three years, Maria and thousands of other farmers throughout Latin America have been battling a fungal disease known as coffee leaf rust, or *la roya* in Spanish. The disease has devastated coffee trees, stunted yields, and threatened the livelihoods of producers and laborers. At the peak of the outbreak in 2013, an estimated 50 percent of Central America’s growing area was affected, and the epidemic is believed to have already caused more than $1 billion in economic damage.

While leaf rust has affected coffee-producing countries for decades and is present in some areas every growing season, it has now reached epidemic proportions in communities from Mexico to Peru. Above-average rainfall and more humid conditions have exacerbated the problem, allowing the fungus to spread to areas and altitudes that previously had been unaffected.

For smallholder farmers living on less than $2 a day, shocks such as these can have a dramatic impact on food security. In 2014, Feed the Future expanded its **ongoing support** in fighting coffee leaf rust. USAID, through Feed the Future, entered into a partnership with Root Capital and leading coffee companies including Cooperative Coffees, Equal Exchange, Keurig Green Mountain, and Starbucks to help smallholder coffee farmers overcome the disease and build more resilient livelihoods. Along with others like the Skoll Foundation and the Inter-American Development Bank, the partners created the Coffee Farmer Resilience Initiative to extend critical support to more than 40,000 coffee farmers throughout Latin America, including Guatemala, a Feed the Future focus country.

Through this initiative, Root Capital provides much-needed loans and financial training to farmer cooperatives so that their members can replace diseased trees with new seedlings, often of a more productive variety, and continue earning income. To date, the initiative has approved over $8 million in loans to help farmers rehabilitate rust-affected coffee trees or to replace them entirely.

With aging coffee trees, declining yields and depleted soil, Latin America’s coffee-growing regions required large-scale investments in renovation and rehabilitation well before the outbreak of leaf rust. Now, these on-farm investments are seen as adaptation pathways that enable farmers in vulnerable regions to continue growing coffee in the face of changing climatic conditions.

In Nicaragua, for instance, leaf rust affected over one-third of coffee produced by members of Soppexcca, a fair trade

certified cooperative that was the first recipient of a renovation loan from the initiative. Today, 188 members are in the process of renovating 200 hectares of rust-affected coffee trees, using long-term loans to invest in rust-resistant seedlings, inputs and equipment.

At the same time, changing weather conditions may mean that coffee production is simply no longer a viable livelihood for smallholder farmers in many regions, especially those at lower altitudes. Therefore, the Coffee Farmer Resilience Initiative provides accompanying technical assistance, including tailored training on climate-smart agriculture and income diversification activities.

For example, Nahualá is a cooperative in the Western Highlands of Guatemala founded to combat pervasive poverty in the region. Today, it sources organic coffee from more than 200 smallholder farmers. But in recent years, over half of the coffee-growing land has been affected by coffee leaf rust. In response, Nahualá turned to the Coffee Farmer Resilience Initiative for funding to establish bio-fertilizer production centers to boost soil fertility and to help their members diversify beyond coffee and into beekeeping.

When we talk about building resilience to climate change, this is what we mean and this is why it matters. Tackling the interconnected issues of leaf rust, climate change and underinvestment in smallholder agriculture is a massive, long-term effort. With the assistance of Feed the Future, Root Capital and private sector partners are taking the first step in helping farmers on the front lines adapt to climate change and strengthen their resilience.